



**Health Services**  
LOS ANGELES COUNTY

July 6, 2006

Los Angeles County  
Board of Supervisors

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The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**REQUEST TO ACCEPT COMPROMISE OFFERS OF  
SETTLEMENT  
(ALL DISTRICTS AFFECTED - 3 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

Authorize the Director of Health Services or his designee to accept the attached compromise offers of settlement, pursuant to Section 1473 of the Health and Safety Code, for the following individual accounts for patients who received medical care at a County facility:

(1)	Account Number	H/UCLA - 7299530	\$252,632
(2)	Account Numbers	LAC+USC - 3466208, 3662178 other outpatient accounts	\$30,000
(3)	Account Numbers	H/UCLA - 7314725 and other outpatient accounts	\$40,000
(4)	Account Numbers	H/UCLA - 7166045, 7158986	\$19,500
(5)	Account Number	LAC+USC - 1360403	\$3,267
(6)	Account Number	H/UCLA - 6048835	\$2,350

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**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:**

The acceptance of the compromise offer of settlement for patient account (1) is recommended because the amount is the highest amount that could be negotiated with the patient's insurance (Commercial or HMO) under the circumstances of the case, and receipt of such insurance proceeds prevents further collection from the patient, except for possible beneficiary co-insurance or deductible obligations. The acceptance of the compromise offer of settlement for patient account (2) is recommended because the patient cannot pay the full amount of charges based on her current financial status, and this is the highest amount she is able to contribute to settle the account. The acceptance of the compromise offers of settlement for patient accounts (3)-(6) is recommended because the patients are unable to pay the full amount of charges, and the compromise offers represent the maximum amounts the Department will be able to receive under the legal settlements of these cases.

The best interests of the County would be served by the approval of these compromises since it will enable DHS to maximize net revenue on these accounts.

*To improve health  
through leadership,  
service and education.*



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**Implementation of Strategic Plan Goals:**

The recommended action will satisfy County Strategic Plan Goal #4, Fiscal Responsibility.

**FISCAL IMPACT/FINANCING:**

This will expedite the County's recovery of revenue totaling approximately \$347,749.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS:**

On January 8, 2002 the Board approved an ordinance granting the Director of Health Services (Director) authority to reduce patient account liabilities when it is in the best interest of the County to do so. The ordinance was adopted by the Board on January 15, 2002.

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50% of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

Typically, recoveries in legal settlements are divided into thirds – one third each to the plaintiff (patient), attorney, and lien holder(s), although the final result is always the product of negotiation. The County may therefore receive a higher or lower percentage depending on the circumstances of the individual case. Factors that affect the County's percentage include the number of other lien holders and the contractual agreement between the plaintiff and his or her lawyer.

The compromise of these accounts is not within the Director's authority, so the Director is requesting Board approval of these compromises.

**CONTRACTING PROCESS:**

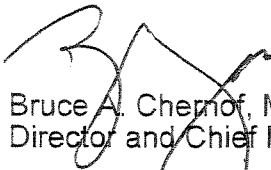
Not applicable.

**IMPACT ON CURRENT SERVICES (OR PROJECTS):**

Maximizing net revenues on these accounts will help DHS meet its budgeted revenue amounts.

When approved, DHS requires three signed copies of the Board's action.

Respectfully submitted,



Bruce A. Chernof, M.D.  
Director and Chief Medical Officer

BAC:lg (R:\AS\TECKER\COMPROMISE\BDR\TR#444\LETTER)

Attachments

c: Chief Administrative Officer  
County Counsel  
Executive Officer, Board of Supervisors

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1  
DATE: July 6, 2006

<b>Total Charges</b>	\$336,842	<b>Account Number</b>	7299530
<b>Amount Paid</b>	\$0	<b>Service Type</b>	Inpatient
<b>Balance Due</b>	\$336,842	<b>Date of Service</b>	11/20/2005 – 12/13/2005
<b>Compromise Amount Offered</b>	\$252,632	<b>% Of Charges</b>	75%
<b>Amount to be Written Off</b>	\$84,210	<b>Facility</b>	H/UCLA Medical Center

### JUSTIFICATION

The above compromise offer of settlement is the highest amount that could be negotiated with the patient's insurance (Commercial or HMO) under the circumstances of the case.

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2  
DATE: July 6, 2006

<b>Total Charges</b>	\$249,503	<b>Account Numbers</b>	3466208, 3662178 and Other Outpatient Accounts
<b>Amount Paid</b> (By Patient's Insurance)	\$0	<b>Service Type</b>	Inpatient and Outpatient
<b>Balance Due</b>	\$249,503	<b>Dates of Service</b>	11/03/2005-11/10/2005, 12/03/2005 - 12/17/2005 and Other Dates of Service
<b>Compromise Amount Offered</b>	\$30,000	<b>% of Charges</b>	12%
<b>Amount to be Written Off</b>	\$219,503	<b>Facility</b>	LAC+USC Medical Center

### JUSTIFICATION

This patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient charges of \$249,503 for medical services rendered. The patient is a 60 year old non Los Angeles County resident; as such, she does not qualify for any Los Angeles County's Low Cost/No Cost programs. Based on financial information provided, it appears that the patient does not have the financial means to pay the full cost of care.

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 3  
DATE: July 6, 2006

<b>Total Charges</b>	\$167,333	<b>Account Number</b>	7314725 and Other Outpatient Accounts
<b>Amount Paid</b>	\$0	<b>Service Type</b>	Inpatient and Outpatient
<b>Balance Due</b>	\$167,333	<b>Date of Service</b>	12/09/2005-12/28/2005 and Other Dates of Service
<b>Compromise Amount Offered</b>	\$40,000	<b>% Of Charges</b>	24%
<b>Amount to be Written Off</b>	\$127,333	<b>Facility</b>	H/UCLA Medical Center

### JUSTIFICATION

This patient was involved in a motorcycle accident. As a result of this accident, the patient was treated at H/UCLA Medical Center and incurred total inpatient and outpatient charges of \$167,333 for medical services rendered. The patient was not eligible for Medi-Cal and did not complete the Ability-To-Pay program due to the expected third party settlement. The patient's third party liability claim settled for \$100,000 and his attorney is proposing the following disbursement of the proceeds:

<b>Disbursement</b>	<b>Total Claim</b>	<b>Proposed Settlement</b>	<b>Percent of Settlement</b>
<b>Lawyer's Fees</b>	\$33,333	\$33,333	33.3.0%
<b>H/UCLA Medical Center</b>	\$167,333	\$40,000	40.0%
<b>Other Lien Holders</b>	\$5,000	\$2,500	2.5%
<b>Patient</b>		\$24,167	24.2%
<b>Total</b>		\$100,000	100%

Based on financial information provided by patient, it appears that the patient has no other source of income, or personal or real property to meet his obligation to H/UCLA Medical Center.

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 4  
DATE: July 6, 2006

<b>Total Charges</b>	\$43,534	<b>Account Number</b>	7166045,7158986
<b>Amount Paid</b>	\$0	<b>Service Type</b>	Inpatient and Outpatient
<b>Balance Due</b>	\$43,534	<b>Date of Service</b>	09/02/2005; 09/07/2005-09/14/2005
<b>Compromise Amount Offered</b>	\$19,500	<b>% Of Charges</b>	45%
<b>Amount to be Written Off</b>	\$24,034	<b>Facility</b>	H/UCLA Medical Center

### JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at H/UCLA Medical Center and incurred total inpatient and outpatient charges of \$43,534 for medical services rendered. The patient was not eligible for Medi-Cal and did not provide the requested documentation to complete his Ability-To-Pay program application. The patient's third party liability claim settled for \$40,000 and his attorney is proposing the following disbursement of the proceeds:

<b>Disbursement</b>	<b>Total Claim</b>	<b>Proposed Settlement</b>	<b>Percent of Settlement</b>
<b>Lawyer's Fees</b>	\$13,320	\$10,250	25.6%
<b>H/UCLA Medical Center</b>	\$43,534	\$19,500	48.8%
<b>Other Lien Holders *</b>	\$3,210	\$0	-
<b>Patient</b>		\$10,250	25.6%
<b>Total</b>		\$40,000	100%

\* Patient has made payment arrangements with these lien holders.

Based on financial information provided by patient, it appears that the patient has no other source of income, or personal or real property to meet his obligation to H/UCLA Medical Center.

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 5  
DATE: July 6, 2006

<b>Total Charges</b>	\$100,896	<b>Account Number</b>	1360403
<b>Amount Paid</b>	\$0	<b>Service Type</b>	Inpatient
<b>Balance Due</b>	\$100,896	<b>Date of Service</b>	05/06/2004-05/14/2004
<b>Compromise Amount Offered</b>	\$3,267	<b>% Of Charges</b>	3.2%
<b>Amount to be Written Off</b>	\$97,629	<b>Facility</b>	LAC+USC Medical Center

### JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient charges of \$100,896 for medical services rendered. The patient's third party liability claim settled for \$5,100 and her attorney is proposing the following disbursement of the proceeds:

<b>Disbursement</b>	<b>Total Claim</b>	<b>Proposed Settlement</b>	<b>Percent of Settlement</b>
<b>Lawyer's Fees</b>	\$1,633	\$1,633	32.0%
<b>Lawyer's Cost</b>	\$200	\$200	4.0%
<b>LAC+USC Medical Center</b>	\$100,896	\$3,267	64.0%
<b>Total</b>		\$5,100	100%

Based on financial information provided by patient, it appears that the patient has no other source of income, or personal or real property to meet her obligation to LAC+USC Medical Center.

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 6  
DATE: July 6, 2006

<b>Total Charges</b>	\$29,775	<b>Account Number</b>	6048835
<b>Amount Paid</b>	\$0	<b>Service Type</b>	Inpatient
<b>Balance Due</b>	\$29,775	<b>Date of Service</b>	02/22/2004-02/25/2004
<b>Compromise Amount Offered</b>	\$2,350	<b>% Of Charges</b>	7.9%
<b>Amount to be Written Off</b>	\$27,425	<b>Facility</b>	H/UCLA Medical Center

### JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at H/UCLA Medical Center and incurred total inpatient charges of \$29,775 for medical services rendered. The patient was not eligible for Medi-Cal, he was eligible for the Ability-To-Pay program, but he did not complete the application. The patient's third party liability claim settled for \$15,000 and his attorney is proposing the following disbursement of the proceeds:

<b>Disbursement</b>	<b>Total Claim</b>	<b>Proposed Settlement</b>	<b>Percent of Settlement *</b>
<b>Lawyer's Fees</b>	\$5,000	\$5,000	33.3%
<b>H/UCLA Medical Center</b>	\$29,775	\$2,350	15.7%
<b>Other Lien Holders</b>	\$34,155	\$3,557	23.7%
<b>Patient</b>		\$4,092	27.3%
<b>Total</b>		\$15,000	100%

39.4% of settlement allocated to all lien holders -- (15.7% to H/UCLA and 23.7% to others)

Based on financial information provided by patient, it appears that the patient has no other source of income, or personal or real property to meet his obligation to H/UCLA Medical Center.